

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7103

BILL NUMBER: HB 1363

NOTE PREPARED: Jan 13, 2014

BILL AMENDED:

SUBJECT: Property tax deductions for land sale contracts.

FIRST AUTHOR: Rep. Pryor

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Pending

Summary of Legislation: This bill specifies the terms that a contract for the purchase of real property or a mobile home or manufactured home that is not assessed as real property must include to qualify the buyer for certain property tax deductions.

The bill defines a contract containing the required terms as a qualified installment contract. It provides that a person who:

- (1) owns property subject to taxation;
- (2) misrepresents a residential lease as a qualified installment contract; and
- (3) through the person's misrepresentation, causes another individual to improperly claim a deduction that is made available to a buyer under a qualified installment contract;

is liable for any additional taxes that would have been due on the property if the person had leased the property to the purported contract buyer, plus a civil penalty equal to 10% of the additional taxes due.

Effective Date: July 1, 2014.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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